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Committee on Administration and Finance
1991 session

FOR INFORMATION

REVIEW OF EXPENDITURES IN EXCESS OF COMMITMENTS AND UNSPENT COMMITMENTS FOR COMPLETED PROJECTS FINANCED BY SUPPLEMENTARY FUNDS

SUMMARY

The present report summarizes the outstanding balances of expenditures in excess of commitments and the unspent balances of commitments for completed supplementary-funded projects as at 31 December 1990.

INTRODUCTION

1. As a result of the expanded audit of 1986, the 1988 Executive Board established the procedures to be followed in disposing of outstanding balances of overspent and unspent commitments for completed projects.

2. Regarding expenditures in excess of commitments, the 1988 Executive Board, in its decision 1988/11 H (E/ICEF/1988/13), established, inter alia, the following:

> "The financial implementation of supplementary-funded programmes should remain within the funded amounts. However, during the implementation, because of exchange rate fluctuations or other price increases that are out of UNICEF control, the resource needs may exceed those of the original project budget. In such cases, the donor(s) will be approached for additional support. If the additional support is not forthcoming, the project will be phased out and any overexpenditures will be allocated from general resources. The secretariat will report all such cases to the Executive Board specifying the amount in United States dollars, the assisted country to which it relates, and the explanation of the overexpenditures."

3. In addition, in its decision 1988/11 I (E/ICEF/1988/13), the 1988 Executive Board established the following procedure for commitments in excess of expenditures:

> "When it is determined that a project is completed with savings, and where appropriate, the donor will be approached for possible reprogramming. If the donor does not agree, the balance of commitments will be cancelled and returned to the donor."

I. DISPOSITION OF BALANCES RELATING TO THE EXPANDED AUDIT

4. The 1989 Executive Board reviewed the balances of overspent projects relating to completed projects as of 31 December 1986 which were the subject of the 1986 expanded audit. At that time, the Board authorized the adjustment of overexpenditures totalling $18,545,613 against general resources (E/ICEF/1989/AB/L.12). In 1989, the adjustments for these accounts amounted to $16,298,931.52 (E/ICEF/1990/AB/L.10).

5. During 1990, as a further result of the "clean-up" of the programme accounts, with particular reference to completed projects included in the expanded audit of the 1986 accounts, additional corrections were made. The resulting adjustments to these accounts amounted to $440,935.71. Details can be found in annex I to the present document.

II. DISPOSITION OF OVERSPENT BALANCES FOR COMPLETED PROJECTS

6. Over and above the overexpenditures relating to the expanded audit of the 1986 accounts and in accordance with the policy of the Executive Board as noted in paragraph 2 above, the secretariat reported overexpenditures of $4,835,863.20 to the Executive Board at its 1990 session (E/ICEF/1990/AB/L.10). In reviewing these overspent balances in 1990, some corrections to the overspent contributions were made. After such corrections, the resulting adjustments against general resources amounted to $254,852.62 as of 31 December 1990. Details can be found in annex II to the present document.

7. The present report also summarizes the balances of overspent commitments relating to completed projects as of 31 December 1990 totalling $11,225,290.57. This amount includes $3,154,547.57 in overexpenditures, already reported to the Executive Board in its 1990 session, which have not been adjusted pending further analysis to be undertaken in 1991. Thus $8,070,743 is the amount of overexpenditures on completed projects being reported to the Board for the first time. All overexpenditures will be reviewed in 1991 and the necessary action taken in accordance with the policy as stated in paragraph 2 above. The details can be found in annex III to the present document.

III. UNSPENT COMMITMENTS FOR COMPLETED PROJECTS

8. To apply consistently the procedure reported by the secretariat to the Executive Board in its 1990 session on unutilized funds of small amounts, total unutilized funds of $3,834.23 were transferred to general resources as of 31 December 1990. Details can be found in annex II.

9. In accordance with the policy of the Executive Board as noted in paragraph 3 above, further analysis of unspent commitments totalling $55,413.02 related to completed projects as of 31 December 1990 will be undertaken by the secretariat in 1991. Where the balances are determined to be valid, discussions with the donors on the possible reprogramming of such unspent commitments will be pursued in 1991. Based on the results of the analysis and discussions with the donors, the necessary action will be taken in 1991 and reported to the Executive Board in 1992. Details can be found in annex III.

Annex I

SUMMARY OF COMPLETED PROJECTS RELATED TO 1986 EXPANDED AUDIT

(In United States dollars)

Region/country	Deficit
Angola	(104,517.39)
Chad	(11,305.94)
Ethiopia	(108,884.00)
Gambia	(606.47)
Guinea-Bissau	(958.40)
Mali	(46,694.94)
Somalia	(12,225.37)
Uganda	(110,673.89)
United Republic of Tanzania	(5,717.38)
Zambia	(39,351.93)
Total	(440,935.71)

Annex II

SUMMARY OF UNSPENT BALANCES AND OVEREXPENDITURES FOR COMPLETED PROJECTS ADJUSTED AS AT 31 DECEMBER 1990

(In United States dollars)

Region/country	Savings	Deficit
AFRICA		
Angola	34.42	(272.60)
Botswana		(6,045.01)
Burkina Faso	59.43	(23,186.20)
Cape Verde	12.38	
Central Africa Republic	9.24	
Chad		(18,653.49)
Ethiopia	249.01	(25,919.17)
Gambia	70.59	
Guinea-Bissau		(7,476.32)
Lesotho		(63.18)
Liberia		(295.79)
Mali	0.60	(22,676.49)
Mauritania		(1,772.66)
Mauritius		(159.03)
Mozambique	53.14	(21,055.07)
Niger	15.83	(22,281.47)
Senegal	78.23	(2,734.59)
Somalia	595.72	
Swaziland	69.35	
Uganda	332.00	(783.71)
United Republic of Tanzania	19.15	
Total Africa	1,599.09	(153,374.78)

Region/country	Savings	Deficit
ASIA		
Bangladesh	161.96	(423.63)
Bhutan	422.31	(8.45)
Cambodia		(4,965.95)
China	0.29	
India	42.86	
Indonesia	91.55	(244.68)
Lao People's Democratic Republic		(428.80)
Maldives	80.00	
Myanmar	15.00	(1,644.15)
Nepal		(16,089.47)
Pakistan		(15.70)
Philippines	94.16	
Sri Lanka	11.46	(22,609.07)
Viet Nam		(806.07)
Total Asia	919.59	(47,235.97)
MIDDLE EAST AND NORTH AFRICA		
Egypt	38.87	
Lebanon	364.58	(574.37)
Lebanon Rehabilitation	58.50	
Sudan	159.41	(1,815.97)
Yemen		(502.68)
Palestinian children and mothers in Lebanon	19.24	
Palestinian children and mothers in the Syrian Arab Republic		(569.65)
Middle East and North Africa Total	640.60	(3,462.67)

Region/country	Savings	Deficit
AMERICAS		
Bolivia		(12,600.39)
Colombia	179.82	(6,872.83)
Costa Rica	3.58	(288.07)
Central America and Panama	0.29	(833.55)
Ecuador	17.85	
El Salvador	83.88	(281.37)
Guatemala	32.89	
Haiti	74.69	(760.00)
Honduras	28.64	(130.09)
Jamaica		(4.03)
Mexico	253.15	(19,827.51)
Nicaragua	0.16	(7,179.93)
Peru		(2,001.43)
Total Americas	674.95	(50,779.20)
GRAND TOTAL	3,834.23	(254,852.62)

Annex III

SUMMARY OF UNSPENT BALANCES AND OVEREXPENDITURES RELATED TO COMPLETED PROJECTS AS OF 31 DECEMBER 1990

ACTION TO BE TAKEN IN 1991

(In United States dollars)

Region/country	Savings	Deficit
AFRICA		
Angola	1,349.14	(326,793.96)
Benin		(49,351.22)
Botswana		(3,885.95)
Burkina Faso	1,394.19	(27,893.79)
Burundi	2,125.83	(36,671.47)
Cameroon	163.10	(2,326.09)
Cape Verde	205.49	(73,490.06)
Central African Republic	1,307.50	
Chad	3,266.67	(173,037.60)
Comoros		(14,879.10)
Congo		(15,660.91)
Cote d'Ivoire		(16,630.18)
Ethiopia	3,648.05	(1,624,482.94)
Gambia		(3,915 28)
Guinea-Bissau		(2,743 13)
Guinea	945.34	(49,729.01)
Ghana		(498.48)
Kenya		(11,025.38)
Lesotho	47.00	(34,007.27)
Liberia		(63,316.04)
Madagascar		(233,967.95)
Mali	772.63	(175,415.47)
Mauritania	487.53	(100,237.29)
Mozambique	3,158.65	(225,079.23)
Niger	409.66	(34,791.89)
Nigeria		(182,810.14)
Rwanda		(9,478.11)
Senegal	311.72	(92,893.32)
Sierra Leone		(56,637.21)
Somalia	954.18	(130,567.88)
Uganda		(325,681.24)
United Republic of Tanzania	1,085.20	(247,342.06)
Zaire		(24,744.98)
Zambia	149.06	(16,307.09)
Zimbabwe		(1,200.83)
Regional liberation movement		(192,151.20)
Total Africa	21,780.94	(4,579,653.75)

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Region/country	Savings	Deficit
AMERICAS		
Argentina		(1,956.31)
Belize	466.91	(33,167.62)
Bolivia	235.91	(225,319.15)
Brazil	548.81	(213,967.08)
Colombia	311.96	(3,865.15)
Dominican Republic		(4,261.30)
Ecuador	801.68	(227.91)
El Salvador	418.04	(6,685.11)
Guatemala	1,550.05	(147,906.34)
Haiti		(100,458.86)
Honduras	1,298.11	(9,059.04)
Jamaica	1,862.99	(39,239.27)
Mexico	2,112.22	(49,926.01)
Nicaragua	485.25	(141,455.57)
Panama		(6,500.00)
Peru	578.76	(100,519.68)
Caribbean regional		(34,376.21)
Central America and Panama		(541.42)
Total Americas	10,670.69	(1,119,432.03)
ASIA		
Afghanistan Rehabilitation	148.35	(676,822.37)
Bangladesh	1,227.75	(426,094.41)
Bhutan	381.61	(5,016.51)
Cambodia	1,720.32	(79,085.67)
China	754.10	(106,829.67)
India		(502,712.89)
Indonesia	1,356.37	
Lao People's Democratic Republic		(28,389.73)
Maldives		(30,721.75)
Myanmar	869.56	(128,700.94)
Nepal	1,281.91	(160,801.77)
Pakistan		(0.09)
Papua New Guinea		(18,781.37)
Philippines	6,163.18	(102,203.45)
Republic of Korea	848.67	
Sri Lanka	486.40	(129,496.02)
Thailand		(124,042.57)
Viet Nam		(89,348.82)
Total Asia	15,238.22	(2,609,048.03)

Region/country	Savings	Deficit
MIDDLE EAST AND NORTH AFRICA		
Democratic Yemen*	175.75	(115,198.25)
Djibouti		(5,866.00)
Egypt		(80,639.85)
Iran (Islamic Republic of)		(177,498.65)
Iraq		(18,164.88)
Jordan		(31,553.08)
Lebanon	2,381.92	(436,743.83)
Morocco		(15,420.80)
Saudi Arabia		(4,297.00)
Sudan	3,027.07	(1,022,456.72)
Sudan emergency	898.74	(895,080.29)
Syrian Arab Republic		(70,081.09)
Turkey		(44,125.77)
MENA regional	318.47	
Palestinian children and mothers (Syrian Arab Republic)	0.02	(30.55)
West Bank and Gaza	921.20	
Middle East and North Africa Total	7,723.17	(2,917,156.76)
GRAND TOTAL	55,413.02	(11,225,290.57)

* On 22 May 1990, Democratic Yemen and Yemen merged to form a single State. Since that date, they have been represented as one State Member with the name "Yemen".

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UNITED NATIONS CHILDREN'S FUND
Committee on Administration and Finance
1991 session

FOR ACTION

STATEMENT OF THE CHAIRMAN OF THE COMMITTEE ON ADMINISTRATION AND FINANCE ON ITS MEETINGS HELD AT UNITED NATIONS HEADQUARTERS FROM 29 APRIL TO 3 MAY 1991

I. ORGANIZATION OF THE SESSION

1. The Committee on Administration and Finance of the United Nations Children's Fund (UNICEF) met from 29 April to 3 May 1991.

2. The provisional agenda contained in E/ICEF/1991/1/Rev.2 was adopted by the Committee.

II. MEDIUM-TERM FINANCIAL PLAN, 1991-1994

3. The Committee recommends that the Executive Board:

Approve the medium-term plan (E/ICEF/1991/3) as a framework of projections for 1991-1994 (summarized in table 3), including the preparation of up to $500 million in programme expenditures from general resources to be submitted to the 1992 Executive Board (shown in table 2, item 3). This amount is subject to the availability of resources and to the condition that estimates of income and expenditure made in this plan continue to be valid.

III. UNICEF FINANCIAL REPORTS

4. The Committee recommends that the Executive Board:

Note the following:

(a) The interim financial report and statements for the year ended 31 December 1990, the first year of the biennium 1990-1991 (E/ICEF/1991/AB/L.7);

(b) The financial report and audited financial statements of UNICEF for the year ended 31 December 1989 and report of the Board of Auditors (Official Records of the General Assembly, Forty-fifth Session, Supplement No. 5B (A/45/5/Add.2 and corrigendum);

(c) The report of the Advisory Committee on Administrative and Budgetary Questions on the financial reports and audited financial statements and reports of the Board of Auditors relating to UNICEF (A/45/570 and Corr.1);

(d) The report to the United Nations Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions regarding General Assembly resolution 45/235 (E/ICEF/1991/AB/L.3);

(e) The review of expenditures in excess of commitments and unspent commitments for completed projects financed by supplementary funds (E/ICEF/1991/AB/L.12).

IV. FINANCIAL REPORT FOR THE WORLD SUMMIT FOR CHILDREN AND SUMMIT-RELATED MOBILIZATION ACTIVITIES

5. The Committee recommends that the Executive Board:

Note the financial report for the World Summit for Children and Summit-related mobilization activities (E/ICEF/1991/AB/L.8).

V. BUDGET ESTIMATES

Draft resolution 1

Budget expenditure estimates for the biennium 1990-1991

6. The Committee recommends that the Executive Board:

1. Approve the supplementary budget request of $25,178,085 to cover all mandatory increases for the biennium 1990-1991;

2. Resolve that the revised budget estimates for the biennium 1990-1991 are as follows:

		$
Category 1 (a)	Staff costs: International	102 286 351
Category 1 (b)	Staff costs: Local	91 009 169
Category 2 (a)	General operating costs: Headquarters	64 201 142
Category 2 (b)	General operating costs: Field	57 359 216
Category 2 (c)	Capital expenditures: Headquarters	2 196 223
Category 2 (d)	Capital expenditures: Field	1 186 250
Category 3	Packing and assembly costs	8 934 249
	Total expenditures	327 172 600

3. Reaffirm that mandatory increases as defined by the Executive Board are those aspects which are beyond management control, i.e. mandatory salary increases, exchange rate fluctuations, unanticipated rent increases, additional staff entitlements approved by the United Nations common system and other unforeseen cost increases for existing UNICEF offices;

4. Decide that any savings realized during the course of a biennium budget should first be applied to mandatory increases and to cover unforeseen expenditures;

5. Reaffirm the principle that the reserve should be used to cover mandatory increases as contained in paragraph 3 above;

6. Reaffirm that the supplementary budget should not be the vehicle for new proposals.

Draft resolution 2

Merging of the Division of Information and the Division of Public Affairs

7. The Committee recommends that the Executive Board:

Agree to maintain the current structure of the Division of Information and the Division of Public Affairs pending review in the context of the medium-term plan during the 1992 Executive Board session.

Draft resolution 3

Reimbursable procurement income

8. The Committee recommends that the Executive Board:

1. Accept the estimates of reimbursable procurement income for the 1990-1991 revised budget contained in annex XVIII of document E/ICEF/1991/AB/L.1/Add.1;

2. Recommend, with respect to the 1992-1993 proposed budget, that steps be taken to ensure that the estimated staff costs do not exceed the estimated income from reimbursable procurement;

3. Decide that, in the future, interest income should be credited to general resources.

Draft resolution 4

Internal auditors

9. The Committee recommends that the Executive Board:

Note the disparate views on the merits of locating auditors either in the regional offices or headquarters,

Note the desire to maintain the performance of this vital function,

1. Decide to maintain the current placement of auditors pending the completion of a review by the Board of Auditors of the internal audit function and of the relative merits of the location of the regional auditors which will be presented to the Executive Board in 1993;

2. Recommend that the auditors be recruited under the International Civil Service Commission regulations and be made aware of the possible consequences of the Board of Auditors review.

Draft resolution 5

Revised income estimates related to the budget for the biennium 1990-1991

10. The Committee recommends that the Executive Board:

Resolve that, for the biennium 1990-1991, revised estimates of income related to the budget estimates are approved as follows:

	$
(a) Recovery from packing and assembly activities	16 000 000
(b) Contributions from assisted Governments towards local budget costs	1 850 000
(c) All other income	7 150 000
Total income	25 000 000

Draft resolution 6

Income estimates related to the budget for the biennium 1992-1993

11. The Committee recommends that the Executive Board:

Resolve that, for the biennium 1992-1993, revised estimates of income related to the budget estimates are approved as follows:

	$
(a) Recovery from packing and assembly activities.	16 000 000
(b) Contributions from assisted Governments towards local budget costs	1 850 000
(c) All other income	7 150 000
Total income	25 000 000

VI. UNICEF STAFFING

12. The Committee recommends that the Executive Board:

Note the report on the composition of all international Professional core staff and international project staff of the United Nations Children's Fund as of 1 January 1991 (E/ICEF/1991/AB/L.2 and Corr.1).

VII. GREETING CARD AND RELATED OPERATIONS WORK PLAN AND PROPOSED BUDGET FOR 1991

A. Greeting card and related operations (GCO) budgeted expenditures for the 1991 season

13. The Committee recommends that the Executive Board:

(a) Approve for the fiscal year 1 May 1991-30 April 1992, budgeted expenditures as detailed in tables 3, 4 and 5, and summarized in column II of table 7,

(b) Authorize the Executive Director:

(i) To incur expenditures as summarized in column II of table 7 and to increase the expenditures up to the level indicated in column III of table 7, should the apparent demand before and during the season necessitate; and, accordingly, to reduce expenditures below the level indicated in column II to the extent necessary, should the demand decrease;

(ii) To transfer funds between allotment accounts if necessary within the limits shown in table 7;

(iii) To spend an additional amount between Board sessions when necessary, owing to currency fluctuations, to ensure the continued operation of GCO.

B. Budgeted income for the 1991 season

14. The Committee recommends that the Executive Board:

Note that for the fiscal year 1 May 1991-30 April 1992, gross GCO income is budgeted as shown in column II of table 7 (E/ICEF/1991/AB/L.6).

VIII. GREETING CARD AND RELATED OPERATIONS - FINANCIAL REPORTS

15. The Committee recommends that the Executive Board:

Note the following:

(a) The GCO financial report and accounts for the 1989 season for the year ended 30 April 1990 (E/ICEF/1991/AB/L.5);

(b) The GCO provisional report of the 1990 season (covering the period 1 May 1990-30 April 1991) (E/ICEF/1990/AB/L.4).

IX. STATEMENT BY THE CHAIRPERSON OF THE UNICEF GLOBAL STAFF ASSOCIATION

16. The Committee heard with appreciation the statement of the Chairperson of the UNICEF Global Staff Association which outlined issues of concern to UNICEF staff.

X. OTHER DRAFT RECOMMENDATIONS

17. The Committee on Administration and Finance further recommends the following draft recommendations for adoption by the Executive Board:

(a) Headquarters office accommodation (E/ICEF/1991/CRP.48);

(b) Budget expenditure estimates for the biennium 1992-1993 (E/ICEF/1991/CRP.46);

(c) Review of budget format (E/ICEF/1991/CRP.47);

(d) Review of the administrative and management structure of UNICEF (E/ICEF/1991/CRP.49);

(e) UNICEF staffing (E/ICEF/1991/CRP.45);

(f) Draft model Basic Cooperation Agreement (E/ICEF/1991/CRP.50).